No. 253.

Brief of Foster for Appellee

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Supreme Court of the United States.

October Term, 1898.

No. 253.

OFFICE SPECIALTY MANUFACTURING COMPANY,
Appellant,

vs.

FENTON METALLIC MANUFACTURING COMPANY,
Appellee.

APPEAL FROM THE COURT OF APPEALS OF THE DISTRICT OF COLUMBIA.

BRIEF FOR THE APPELLEE.

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McGILL & WALLACE, LAW PRINTERS, Washington, D. C.



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IN THE

Supreme Court of the United States.

OCTOBER TERM, 1898.

OFFICE SPECIALTY MANUFACTURING COMPANY, Appellant,

vs.

FENTON METALLIC MANUFACTURING COMPANY, Appellee.

No. 253

APPEAL FROM THE COURT OF APPEALS OF THE DISTRICT OF COLUMBIA.

Statement of the Case.

The Fenton Metallic Manufacturing Company, of New York, as assignees under letters patent to Horace J. Hoffman, dated April 7, 1891, for Improvements in Storage Cases, brought suit in the District of Columbia against the Office Specialty Manufacturing Company, of New York, and its agent, Charles E. Birckhead, of Washington, D. C., for infringement of said letters patent by the manufacture of certain metallic roller shelves.

The defendant, The Office Specialty Manufacturing Company, was the assignee through mesne assignments of Jewell & Yawman, whose application for a patent filed November 6, 1888, was in interference in the United States Patent Office with the application of said Hoffman filed February 12, 1887; and the interference proceedings on behalf of Jewell & Yawman were conducted by the parties who subsequently formed the Office Specialty Manufacturing Company. (Rec., pp. 32, 33, fols. 53, 54.)

The Examiner of Interferences, the Board of Examiners-in-Chief, and the Commissioner of Patents successively decided in favor of Hoffman, to whose assignees the letters patent then issued.

During the pendency of the interference, the Hoffman application was divided (as permitted by the rules of the Patent Office) to secure a patent for the features not involved in the interference; and this patent issued as letters patent No. 437,833. (Rec., pp. 153–156.)

The Office Specialty Manufacturing Company having put on sale shelves of the character shown in figure 17 of the Exhibit Office Specialty Company Catalogue (Rec., p. 82) and in Exhibit Hansmann Sketch (Rec., p. 159), suit was duly brought by the Fenton Metallic Manufacing Company, against the said Office Specialty Manufacturing Company and its agent Birckhead. (Subsequently, by stipulation, the co-defendant Birckhead was dismissed from the suit.)

Upon pleadings in due form and evidence taken for

final hearing, the case came up for argument and was duly argued, and upon June 3, 1893, a decree was entered (Rec., p. 158) adjudging the patent to be valid, and the first and second claims thereof to be infringed by the using and vending by defendants of shelves, and cases containing shelves, made as illustrated in the before named exhibits; and the cause was sent to the Auditor to determine and report the profits and damages resulting from the infringement.

Subsequently application to the court was made by defendants for leave to file a supplemental bill to set up alleged new defenses. This was refused (68 *Official Gazette* 1390) and the decision was not appealed from.

After the proceedings before the Auditor were begun, it was discovered that the defendant was making a modified form of shelf (termed the "New Number 4" shelf), and after a full hearing of both sides, the Auditor held that the differences between such new shelf and those referred to in the decision and order of the court were merely colorable, and therefore (but in separate statements) included in his accounting the different forms as infringing devices. The cause coming up for hearing upon this report and exceptions, and upon the whole case on its merits, the court (Rec.,p. 299) referring to the decision of Chief Justice Bingham, said:

> "I see no reason to differ with him after such examination as I have been able to give the case."

The court, however, construed the reference to the

Auditor to have included only the actual constructions referred to in the order of the court, and by order, dated April 5, 1897, sustained defendant's exceptions 4 and 9, and overruled the defendant's twelfth exception as setting up a defense not made in the pleadings, and, except as above set forth, affirmed the Auditor's report; upon which a final decree was entered, confirming and making final the decree of June 3, 1893, and the order of April 5, 1897, and adjudging that the defendant pay to the plaintiff the sum of $5,780.17, with interest and costs.

From this decree both parties appealed, and the Court of Appeals (Rec., pp. 308–318), deciding on all points for the plaintiff, made a decree affirming so much of the decree of the court below as had been appealed from by the defendant, and reversing so much as was appealed from by the complainant, the defendant to pay costs on both appeals.

The defendant below (appellant now on appeal to this court) asks a complete reversal of all the findings of all the tribunals which have acted in this case.

The Patented Invention.

This is a shelf. It has two peculiar features—

1. The *frame;*

2. The arrangement of the *rolls.*

The **frame** is metallic; open, for the circulation of air and escape of dust; rigid, to constitute an effective

support for the book and to brace the light metallic case in which it is bolted, having bearings back of the front portion for supporting a series of rolls, with two separate pairs of bearings forward of the front portion, and with a recess between these separate bearings. *No such frame was ever known or constructed before Hoffman invented it.*

The **rolls** are in two sections. Those of the back section are arranged to support the body of the book and avoid friction in insertion and removal. The front section consists of two rolls. These, as shown in the patent drawing, are arranged outside the front part of the frame, support the book at the back, and prevent wounding the binding in putting the book on and taking it off the shelf. They are also separated opposite the central recess of the frame so that the hands or fingers, which grasp the book, can get *back of the rolls* to pull it out or to hold it in putting it in. As the hand can be thus applied no space need be left to hook the fingers into the ends of the back binding. *No such roll arrangement was ever before devised.*

Further, no prior shelf ever had front rolls supporting the book when at rest, and yet *permitting the hand to pass back of them.* It is the shelf, as an article complete in itself, that is claimed; not merely a roller-shelf with a hand hole, as contended by defendant, but a metallic shelf with an open rigid frame and bearings, and with rollers; and both frame and rollers so constructed and arranged as to secure the advantages of a rigid frame and of a roller support. Such a shelf supplied a want never before filled.

The Utility of the Hoffman Invention.

Prior to the invention of the patentee, Hoffman, the only roller shelves adapted for supporting large books, of from twenty-five to thirty-five pounds and upward, such as are used in tax offices and elsewhere, consisted of parallel rolls the length of the shelf, sometimes of wood and sometimes of metal; and only in the latter case were they mounted in frames.

These proved to be very inefficient. Where the rollers were of wood they would warp and sag, and instead of rotating, would injure the binding of the books. They were large, and occupied valuable space. When metal rolls with frames were used, the rolls extended the length of the frame, which could not be provided with cross braces, so that the frames were weak and did not brace the cases in which they were inserted; the length of the rolls permitted them to sag under the weight of the books unless they were made unduly thick and occupied an objectionable amount of space. In all cases where there was a roller at the front, which was essential in order to protect the binding of the book both in putting it on and taking it off of the shelf, the latter had to be made narrower or less in depth than the book so that the back of the book would project beyond the rollers, and would therefore not be supported, tending to expand and injure the binding, or else, if the shelf was made wide enough to support the entire book, the fingers would be injured in placing the book *upon* the shelf, while it was necessary in removing the book

from the shelf to catch the edges of the binding at the back with the fingers and draw out the book, thus injuring the binding.

There is practically no question as to the remedy of all these defects by the construction finally invented by Hoffman; and the evidence upon both sides is to the effect that the Hoffman construction superseded whatever had gone before it.

As early as November 6, 1888, attorney for Jewell & Yawman writes to the Patent Office (Rec., p. 132)—

> "The device on which applicant seeks a patent is now extensively manufactured, and its rapid adoption would seem to be a strong evidence of the fact that it supplies a demand not answered by other devices known in the art."

Hine says (Rec., p. 32):

> "At once upon offering these shelves to the public they met with favor, and in a little while quite an extensive demand arose for the said shelves, which demand has increased from time to time until this time (April, 1892) they are sold in very large quantities. Since the time when the said shelves were first offered to the public to the present day at least 60,000 have been put into use. The actual number used is probably much larger, but I am not aware at the present time of the number of such shelves that have been made and put into operation by unauthorized parties. In consequence of the excellence of this character of shelf, they rapidly displace other forms of metallic shelving, so that to my knowledge there are very few other forms being at present manufactured and used."

The persistency with which defendant fought the case in the Patent Office from 1887 to 1891, contending for

the patentability of the shelf, and that Jewell & Yawman were the first inventors, and the equal persistency with which defendant has contended from 1891 up to the present time that the invention is not patentable and is open to the public, is of itself evidence that the Hoffman shelf is an essential structure in the manufacture of metallic shelving, and that it contains elements which are not to be found in prior structures which the public is free to use.

Without referring here in detail to the expert and other evidence in the case, it is sufficient to point out that the Hoffman shelf is the first shelf in which there is a rigid metallic frame that will aid in imparting rigidity to the thin metallic casing to which it is bolted, open for the circulation of air and escape of dust, with two series of bearings, one throughout the main body of the shelf for the main body of rollers which support the book, except at the front, and the other consisting of two separated pairs of bearings with an intermediate space. It is the first in which the rollers are in two sections, the main body of rollers supporting the main body of the book, while the other section consists of two rollers arranged at the front, but separated from each other. By this arrangement of rolls, the book is supported at all points in front as well as throughout the remaining portion, and the shelf can be made as wide as the book, so as to thoroughly support it and not interfere with the circulation of air or escape of dust, while the hand can pass back of the front rollers without injury thereby, and can also grasp the book when it is shoved back upon the shelf.

The Hoffman shelf is the only shelf that can be employed with books filling completely the book spaces, thus saving a large percentage of space otherwise wasted. Mr. Hine was asked (Rec., p. 186): "What would be the relative loss of storage space if instead of having the hand-hole in the center, the shelf was made long enough to permit the fingers to take hold of the book (back) at the opposite ends?" and replied, "The shelf would necessarily be made about two inches longer to do that. That would mean simply one-tenth additional space."

The State of the Art.

Richmond, Indiana, Shelf (Defendant's Exhibit, M. R. J., No. 1).

This is a flat board with a central notch and two inconsequential rollers let into the face rearward of the front edge. This is testified to by the witness Dudley (p. 70, Q. 295), who states the purpose to avoid the objections of setting heavy books on end. Of course, they lasted longer flat, but because they were flat, and not because of the rollers, which it will be evident did not prevent the book from rubbing against the front edge in pulling on and off, or against the top of the board on which it rested. Jewell also testifies to this shelf (p. 51, Q. 146 *et seq.*), but, although an expert, he nowhere says that the shelf embodies the invention of the patent in suit.

Complainant's expert, Freeman, however, testifies in rebuttal (p. 44, Qs. 16–19) that the Richmond shelf does not contain the structure of the claims of the patent in suit.

Complainant's witness, Hine (p. 36, Q. 4), states that the Richmond shelf would not protect the book from wear in passing it onto the shelf that the friction is not removed from the cover, and the shelf would chafe the sides of the cover.

As none of defendant's witnesses allege that the Richmond shelf embodies the elements of the claims of the Hoffman patent, or that it will effect the purposes of the Hoffman shelf, we fail to see that this Richmond shelf is of any pertinency to the case. It has no supporting frame, and it is close and will not permit air to circulate or dust to escape. There is no series of bearings, no series of supporting rollers, no front rollers, and it does not secure a front roller support while affording a hand hole.

The Jewell & Yawman 1886 Structure (Defendant's Exhibit, M. R. J., No. 6).

This was not a shelf, but consisted of two book-supporting bars placed on edge and supported by transverse flat strips secured permanently to the case. *The book rested on the edges of the two bars running fore and aft.* There was no series of supporting rollers, but two front rollers and one at the extreme back; the front bar being flat pinched the fingers between it and the book, as testified by complainant's experts and admitted by Jewell. (Jewell, p. 66, Q. 258.)

This Jewell & Yawman structure had the front rolls close against the front edge of the flat front bar. The hand *could not pass back of the front rolls.* As the Board

of Examiners-in-Chief, in its decision says, the front rollers "are in close contiguity to the front flat bar of the frame."

The Position of the Patent Office Regarding the Exhibit 1886 Shelf.

The Board of Examiners in-Chief and the Commissioner both recognized in the 1886 structure a possible embodiment of the invention in dispute, but gave the parties no benefit from it, for two reasons:

1st. *Because there was no evidence of conception* of the invention by Jewell & Yawman at the time such structure was made. As stated in the decision of the Board (Rec., p. 108):

> "Neither Jewell nor Yawman pretend that they had any such idea of a hand space in their heads."
> "And Yawman says, when asked by his own attorney:
> "'Why did you make this Exhibit 1886 Shelf?
> "A. We expected to cheapen the article and get it down at as low a price as possible."'
> "And Erbe, a partner of Yawman, says, in answer to Q. 9:
> "'Q. 9. Was there at that time any advantage recognized in having a space or opening at the front between the short rollers; if so, what was it?
> "'A. There was no advantage recognized in having the rollers set apart, that I know of, except to produce a cheaper shelf.'"

The Commissioner, in his decision (Rec., p. 110), recognized the exhibit as a possibly undeveloped form of the invention.

2d. *Because the device was experimental and abandoned.*

As stated by the Board (Rec., p. 107)—

> "Now, the 1886 exhibit was a mere experimental affair * * * never adopted or even favorably considered, but stood apparently forgotten until discovered and knocked out of the dust by the attorney of Jewell & Yawman in his hunt for testimony to be used in the case."

The Commissioner says (Rec., p. 110)—

> "There is much reason to hold that it was, and was treated as, an experimental device."

These conclusions simply follow Jewell's own statement (Rec., p. 54, Q. 174).

> "It is one of the series of experimental shelves before referred to."

Commissioner Mitchell in his decision suggested that:

> "If it contains the subject-matter of the issue *in a form that has passed the experimental stage* priority must be awarded to Jewell & Yawman."

It can not be said, therefore, that the Patent Office rejected the 1886 structure as wholly without the scope of the issue in controversy, but it is manifest that had it been followed up diligently, or had there been shown any conception of the invention at the date of its construction, it would have been considered sufficient to support a claim for priority of invention. The main ground of the Commissioner and Board for disregarding it was that it was *experimental* and abandoned.

But a party can not date back an invention to an abandoned experiment.

Whitely *v.* Swayne, 7 Wall., 686.

The Jewell & Yawman 1886 shelf, even if it embodied all that is claimed in the Hoffman claims, would not in any way limit the latter, or justify the defendant in its infringement or use of a shelf frame having a part intermediate the front rollers carried back or with a space or recess to receive the hand.

Jewell has fixed the date of the invention (if it can so be called) of the Jewell & Yawman 1886 shelf as in December, 1886 (Rec., p. 54), where, in answer to the question asking the date of completion, he says: "Some time in December, 1886, to the best of my recollection."

Subsequent to the interference proceedings, upon a motion which was made by counsel for defendant before Justice Cox for leave to file a supplemental bill, evidence was produced showing that the date of the Hoffman invention of the frame with the intermediate space or reentrant bend was earlier than the date of invention of the Jewell & Yawman 1886 shelf.

In his decision upon that motion (68 Official Gazette, 1390), Justice Cox says:

> "It is said that the evidence already in the cause does not show the date of Hoffman's invention of the essential feature of his patent of 1891—the hand space in the front of his shelf—to have been before February 12, 1887, the date of his application, whereas it has only recently been discovered, without any lack of diligence on defendant's part, that this feature of the invention was anticipated by one Wundt as far back as October, 1886, who then manufac-

tured and sold similar devices. On examining the papers I find that the interference proceedings between Hoffman and certain Jewell and Yawman in the Patent Office, and the testimony taken therein, were put in evidence in this cause by the counsel for the defendant, Mr. Mussey.

"The evidence in that proceeding—Hines and Hoffman—as further explained by Mr. Freeman's affidavit in relation to the present application, shows that Hoffman's invention, as far as this re-entrant bend or hand-space is concerned, goes back to February or March, 1886, and that Hoffman then had constructed and was selling large numbers of shelves with this feature. Such a shelf, known as 'Hoffman's Exhibit Hoffman 1886 Shelf,' was in evidence in that proceeding, and is now produced.

"Mr. Hines' affidavit now filed corroborates Mr. Freeman as to the date of Hoffman's first invention."

It therefore is shown that the Jewell & Yawman 1886 shelf forms no basis upon which to claim either anticipation or the right to manufacture any structure embodying the elements of the Hoffman claims.

From this decision fixing the date of Hoffman's invention of the frame with the hand hole or recess in it between the forward rolls, no appeal was taken.

The Adams Patent of 1886.

This has no *frame* whatever. The roll-supporting structure has no rigidity or integrity without the case, and is essentially in two parts, one movably connected and the other rigidly attached to the case. The main body of rollers D, is supported by two loose bars A A, with sharpened points *c* at the forward ends. The case has two fixed bars B B, and the bars A A rest thereon

"so as to permit their being moved laterally," and the use of retaining screws is optional. There are two other rolls which are fixtures, being supported by a "novel-shaped spring E" fixed to the outer bar B of the case. The only thing separable from the case, therefore, consists of the two loose bars A A. It would be a misnomer to call these a "frame." Further, if a frame, these bars do not support the front rolls, as called for in Hoffman's claims. The front rolls are supported, not by the part that supports the back rolls, but by a spring secured to the case. Further, they are not supported in the case, but project beyond the front thereof. As so well stated in the decision of the Court of Appeals, they prevent the use of doors; they do not support the book when in the case; they do not facilitate entrance of the book or prevent contact with the front of the bars A (because they yield and descend under the weight of the book). They have no connection with the system of rolls inside, and the intermediate recess answers no useful purpose.

Complainant's experts all declare the Adams structure useless and impracticable. (Freeman, Rec., p. 20–35; X-Q. 42; p. 25, X-Q. 57; Hine, p. 36, Q. 3). Jewell, produced as an expert for defendant, was asked, Rec. p. 61, X. 225): "Now, I would like you to state, under your oath, and as an expert familiar with the art, whether or not you would ever recommend to anyone to put into practical use the construction illustrated in the drawings of the Adams patent?" and replied, "*I should not recommend any such shelf for practical use.*"

An exhibit (marked M. R. J. No. 3) was produced, made from a pencil sketch of the Adams patent (Jewell Rec., p. 68, R-D. Q. 267), which was admittedly incorrect in every detail (see Jewell's cross-examination, Rec., pp. 55–60); and Jewell testifies (Rec., p. 70, R. D. Q. 284) as regards even this altered structure that it would be marketable only because people will buy even "ridiculous" things.

Jewell admits (Rec., p. 69, R-Q. 281) that the statement in Adams' patent that the spring E may be applied "to lids of match, tobacco, and other boxes to open them" is "simple nonsense."

Jewell & Yawman's application, No 414,104, was rejected on the Adams shelf, and their attorneys, in reply (Rec., p. 117), properly set forth the character of the Adams structure, as follows:

> "In regard to the Adams patent cited, it will be noted that it does not describe or show a *portable* shelf which can be handled and adjusted as an entirety, nor one of such construction as to permit the ready application and removal from the case of heavy books. In the Adams patent the shelf is made *a part of the case.* The two short spring-sustained rollers are not adapted to assist in sustaining the book when the latter is in place, as in the applicant's case, their office being to yield when the book is placed thereon preparatory to pushing it back on to the shelf proper, and by this yielding movement *to assist, as it is stated in the specification, in forcing the book onto the rollers D D.* See lines 38 to 58 of the Adams specification. The front edge of the shelf proper in this patent terminates some distance in the rear of the front edge of the side walls of the case, and, inasmuch as it is not customary for the front edge of the book to project beyond the case, it

follows that when the book is in place it will be supported entirely by the rollers D within the case. This being so, it is obvious that in the patent *the space between the short rollers does not answer the purpose of the space in the applicant's construction, nor was it ever intended to be used in the same manner or for the same purpose.*"

The Conant United States Patent No. 316,241.

This shows a structure the same as that testified to as having been used in the United States Patent Office, and consisting of parallel wood rolls.

This Patent Office structure is testified to for defendant by witness Dodge (pp. 72–74, Qs. 301–311), and for complainant by witness Freeman (pp. 16, 17, Qs. 10–17), and Lawler (pp. 48, 49).

This structure was not a shelf, but a case with side strips for the journals of long and permanent rollers extending from side to side, and 2 or 2¼ inches in diameter.

Mr. Freeman, who was employed in the Patent Office for over ten years (p. 10), states that the structure does not embody the Hoffman claims (Rec., p. 45, Q. 21), and (p. 16, X-Qs. 10–14) his personal experience in the pinching of his fingers between the heavy books and the large rollers, and refers to the sagging of the rollers (p. 17, X-Q. 16) as "a common feature of the old roller portfolios used in the Patent Office"; and Lawler states (p. 48, Qs. 3 and 4) that the roller bearings were fast to the sides of the case, and (Q. 7) that the portfolios which rested on the rollers were from 30 to 45 pounds in weight, and the rollers (X-Qs. 10, 11) went out of use in 1867.

The various other letters patent referred to in the appellant's brief were not produced in evidence or explained by the defendant's experts.

In Bischoff *v.* Wethered (9 Wall., 812), the court ruled that it was not the duty of the court to make a comparison of different patents, unsupported by any explanatory evidence, for the purpose of invalidating a patent upon which suit had been brought. The patents cited by appellant (with the exceptions named), are, therefore, clearly out of the case.

If, however, they are considered, it will be found that no one of them is pertinent to the Hoffman claims.

Referring to the same *seriatim*—

The Harris patent, 1870 (Record, p. 142, 145).—In this, as in the Patent Office shelf, there is no "*frame*," the parts D being bars forming part of the case and receiving the journals of the rollers—that is, take the case apart and the rollers fall out. There are no rollers "carried by" a frame. The front roller is not in two separate sections—no part of the frame is carried back.

Boone patent of 1876 (Record, p. 145, 147).—There is no frame and no rollers carried by a frame. No series of rollers. No roller in separated sections. No part carried back to admit the hand.

Wolfe patent of 1879 (Record, p. 147, 149).—There is no shelf frame, but three separate channeled bars to each support. There are rollers which may, perhaps, be desig-

nated as horizontal, but nothing which can be properly termed "a frame" by which they as a whole are supported. There is no front roller in two sections, having any peculiar relation to the other body of "horizontal rollers." It certainly would be a misuse of language to apply the terms of the Hoffman claims to a structure so utterly different as Wolfe's.

As regards the bearing of these patented structures, upon a structure like that in controversy, we have record evidence of the defendant's opinion. Jewell & Yawman's attorney says, in argument (Rec., bottom of p. 132)—

> "*Conant* does not show a rigid or connected frame with rollers therein. His supporting bars E and the rollers are assembled and held in proper relation by inserting the bars in grooves which require to be cut in the supporting case. The front rolls are not supported in the same frame as the others, or indeed in any frame. They are mounted simply in vertical bars which are attached to the front of the case."

As to the *Harris* structure, Jewell & Yawman's attorney says (Rec., p. 117 third paragraph)—

> "The Harris patent cited does not show a shelf in which there are two short rollers sustained in front of the frame with a space between them for the hand. It is not seen therefore what bearing this patent can have on the present invention."

As to the *Adams* patent, Jewell & Yawman's attorney (Rec., p. 117) denied its similarity and efficiency in terms

which have already been fully quoted, and concluding as follows:

> "It is obvious that in the patent the space between the short rollers *does not answer the purpose of the space in the applicant's construction, nor was it ever* intended to be used in the same manner for the same purpose."

As regards the various references cited by the Patent Office, Jewell & Yawman's attorney said (Rec., p. 132):

> "The device on which applicant seeks a patent is now extensively manufactured, and its rapid adoption would seem to be a strong evidence of the fact that it supplied a demand *not answered by other devices known in the art.*"

Roller Structure of Fig. 16, Catalogue.—This is illustrated opposite Rec. p. 82 and on page 13 of appellant's brief, and is substantially the Patent Office Shelf with a metal frame.

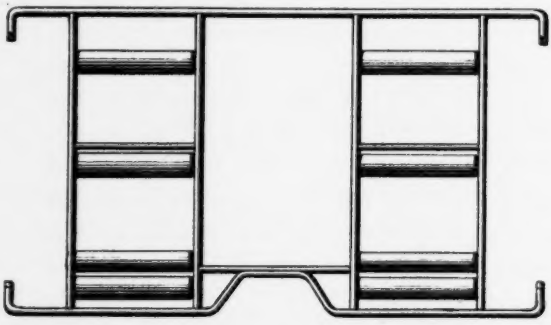
It will be seen that such a frame can not be rigid or strengthen the case, as the long rolls prevent cross bracing; that the book is supported partly by the rolls and partly by bars carrying cross pieces; that the structure has neither the frame nor roller arrangement called for in the Hoffman claims, and is obviously open to all the objections stated by complainant's experts regarding the continuous roller shelves. It is this class of shelf that demands the increased space stated by Hine (Rec., p. 186), and which has been supplanted by the Hoffman shelf.

The Hoffman Invention not Obvious.

It is assumed by the defendant that a metallic frame with rollers being old, and hand holes in wooden shelves being old, the mere suggestion of supplying such a frame with a hand hole or recess would result in the construction set forth in claims 1 and 2 of the patent.

Such is not the case.

A shelf might be made, as shown below, with forward rolls back of the front bar of the frame,



and would not be within these claims. The third claim of the patent was inserted to cover this structure (shown in "Hoffman's Exhibit 1886 Shelf," in which the recess extends between the forward rolls of the shelf, and there are none in front of the frame.

Exhibit Jewell and Yawman 1886 shelf (like Fig. 2 of the drawing following Rec. p. 126) shows another way of making a frame with separated front rolls, and back roll, but not within the terms of Hoffman's claims,

because the frame has no *series* of horizontal rollers supporting the book, the latter being supported by bars running fore and aft.

The Richmond 1873 shelf is another illustration of the manner in which experts might endeavor to embody a hand hole in a roller frame yet not embody the combination of the Hoffman claims. Still another is the ridiculous structure of the Adams patent (following Rec. p. 150), where there are two series of rolls, and what it (improperly) contended is a frame.

It therefore does not follow that anyone skilled in the art would, in the exercise of mere mechanical skill, of necessity make the construction of the Hoffman patent in seeking to embrace the features of rollers and a hand hole. The fact that those skilled in the art, with the idea of roller supports, hand holes, and metallic frames in their minds, should have carried out such an idea by means of the inefficient structures just referred to is sufficient evidence that the Hoffman structure was not, as contended, an obvious one. If it was obvious, why did not Hoffman make it at first, instead of making Exhibit Hoffman 1886 Shelf? Why, then, did others make the structures of the Jewell and Yawman 1886 shelf, the Richmond and Adams and Wolfe shelves, no one of which embodies the construction of elements called for in the Hoffman claims 1 and 2?

Further, it appears that roller shelves were used in the Patent Office substantially like those of Conant's patent of 1885, Harris' patent of 1870, and others. It was desirable to provide such structure with rigid frames,

and to avoid the objections to continuous rolls, yet these were not altered or supplanted during the fifteen years preceding Hoffman's invention, as they would have been had the change been an obvious one.

Alleged Lack of Invention.

Defendant alleges want of invention in the Hoffman structure in view of the prior art.

The courts have repeatedly held that where skilled mechanics have had certain structures before them for years, and did not make the change finally effected by the patentee, the invention could not be said to be obvious or one requiring mere mechanical skill.

> "The decisive answer is that with dozens, and perhaps hundreds of others, laboring in the same field, it never occurred to any one before."
>
> Potts *v.* Creagor, 155 U. S., 608.

The fact that others did not make the improvement shows that it was not obvious.

> Dubois *v.* Kirk, 158 U. S., 63.

The change over existing structures made in the structure involved in Krementz *v.* Cottle (148 U. S., 556) was much less than that made by Hoffman, yet it was held by this court to involve invention, and not obvious as others skilled in the art had failed to see, as the patentee did, that a slight change would obviate known defects and secure material advantages.

The general rule repeatedly laid down is stated in Dederick *v.* Cassell (9 Fed. Rep., 306)—

> "If it be true, as alleged by the defendant, that all

> the parts embraced in the plaintiff's press may be found in the various devices previously used to compress hay, cotton, peat, and clay, the plaintiff's right to the new combination which he constructed would be none the less complete. It will not answer to say that this required no invention, that any mechanic might have selected the parts and combined them. The same might be said with equal force in almost every instance in which a patent for a combination is issued. The fact that no mechanic did select and combine the parts and produce such a press, notwithstanding the great need for it, is a sufficient answer to the suggestion."
>
> See, also, Loom Co. *v.* Higgins, 105 U. S., 591.

But in citing these authorities, it is not admitted that Hoffman merely selected old features out of the prior art and combined them. On the contrary, a frame with two sets of bearings for two sets of rolls, the forward bearings in front of the main frame and separated, and a space between, was new in itself. The arrangement of two sets of rolls, one to support the body of the book and the other consisting of two separated rolls, was new in itself. And the combination also was new.

Defendant contended, before the lower court, that at the date of Hoffman's patent the field for improvements in roller shelves was very circumscribed by the roller shelves before in use. But the evidence shows—

1st. The fact that the only roller shelf actually in use to any extent at that date was a shelf with longitudinal parallel rollers.

2d. That this form of shelf has practically been superseded by the Hoffman shelf, and would not be used at all to-day if the Hoffman shelf was public property.

"In consequence of the excellence of this character

of shelf they rapidly displaced other forms of metallic shelving, so that, to my knowledge, there are very few of other forms of metallic shelving being at present (1892) manufactured and used." (Hine, Rec., p. 32; see, also, bottom of Rec. p. 132.)

The Claims in Suit not Limited to Mere Details of Construction.

Defendant contends for a narrow construction of these claims.

These claims are not, as contended, broadly for a roller shelf with a hand hole.

As stated by the Commissioner (Mitchell) in deciding the interference (Rec., p. 109):

> "A book shelf in order to contain the combination embraced in the issue, must have the following features: (1) A supporting frame; (2) a series of horizontal rollers carried thereby; and (3) a front roller formed in two separate sections, the intermediate part of the frame being carried back to permit the introduction of the hand between the roller sections."

This definition is accepted; and it is submitted that it does not limit the invention to mere details of construction, and that nothing cited in the record demands such limitation.

Thus, provided there is an open metallic frame with a recess and different bearings peculiarly arranged as specified, it is immaterial whether the bars of the frame are of one shape or another; and, provided there is a series of rollers to support the book, and the two sepa-

rated rollers in front of the frame and supported on opposite sides of the recess, it is immaterial whether there are more or less rollers, or how they are otherwise arranged. The Hoffman patent itself shows, in Figs. 1 and 2, two different shelves having different forms of recesses and different numbers of rollers, thus showing that the patentee and the Patent Office included very different forms under the terms of the Hoffman second claim.

If the differences between the structures made by the defendant and that shown in the Hoffman patent are material, and result in advantages or novel effects, there might be grounds for defendant's position that the shelves are different; but it is important to note that *the defendant's experts* NOWHERE HAVE POINTED OUT OR HAVE ATTEMPTED TO POINT OUT THAT ANY SPECIAL OR SUBSTANTIAL ADVANTAGE OR DISADVANTAGE RESULTS FROM SUCH SLIGHT CHANGES AS APPEAR IN THE DIFFERENT FORMS OF SHELF FRAMES.

Plaintiffs' experts have pointed out that the differences in the frames are wholly immaterial, and that therefore one is practically the same as, or the full equivalent of, the other, and that the Hoffman claims having no limitations as to details of construction, are not limited to any details of bars, forms, or proportions, provided they constitute an open, rigid frame, have separated roller bearers, and a central recess between the two front roller bearings.

Defendants having contended before the Patent Office that shelves of the Hoffman and the Jewell & Yawman

applications (the same as Fig. 17, O. S Co. Catalogue) were alike, and under the terms of the same claim, now contend that they differ and that such differences are vital, and that the Jewell & Yawman (or defendant's) shelf is not embodied in the terms of the Hoffman claims. In support of this, they refer to the Hoffman file-wrapper and contents (improperly introduced in evidence, against objection, as hereinafter shown), which show simply efforts upon the part of the applicant to meet the objections of the Patent Office by reforming his claims. What view of the allowed present claims the Office took is shown by the fact that it included in interference the shelf of the Jewell & Yawman application and that of the Hoffman application. Defendants accepted the interference, and spent large sums of money, not in trying to show that the two shelves were different, but in efforts to prove that Jewell & Yawman were the first inventors. No difference was discovered until the Commissioner finally found that Hoffman was the first inventor.

The Commissioner said, in his decision (p. 109) regarding the combination of frame and rollers and "intermediate part of the frame * * * carried back to permit the admission of the hand between the roller sections: *these elements are contained in the interfering claims of both parties.*"

Undoubtedly, as defendants contend, the courts in some instances have held that when a patentee has presented broad claims and withdrawn them, he can not construe his patent as if the broad claims were still there.

But, while the applicant, Hoffman, presented claims in different forms to meet the objections raised by the Office, he always had what are practically claims to the same subject-matter (see original claim 3, Rec., p. 85; claim 5, p. 88); the latter being filed November 22, 1887, and retained until finally granted, and being only a paraphrase of the preceding claims. Further, while the state of the art required the erasure of too broadly and indefinitely worded claims, the fact that the substance of these claims was finally granted, and that two structures so different in detail as Jewell & Yawman's and Hoffman's were included under the same claim, is evidence that the Patent Office did not find that the art required any such limited construction of the claims, as defendant *now* contends for.

Nothing in the prior art necessitates a limited construction of Hoffman's claims.

If the terms of Hoffman's claims could be read upon some old structure, and it was necessary to read into the claims some features of construction peculiar to the Hoffman structure and not found in the other, then, under recognized theories of construction, the claims, to be saved, would necessarily receive a limited interpretation.

But there is nothing in the prior art to which the Hoffman claims apply. Nor is there any prior structure so analogous that the Hoffman claims, to be sustained, must be read with any such limitations as the defendant contends for. There is no evidence of the prior con-

struction and use of any shelves, except the Patent Office parallel rollers similar to those of Conant's patent, the old straight metal shelf, and the Harris patent rollers; these are all substantially alike, and all went into disuse or were displaced by the Hoffman shelf.

As regards the Jewell & Yawman 1886 shelf, the defendant contended during the entire interference proceedings that this involved the combination of the issue and of the Hoffman claims, which were the same as the issue. If, as now contended, the defendant's new No. 4 shelf is the same as the Jewell & Yawman 1886 shelf, then it comes within the terms of the contention of the defendant before the Patent Office.

The position of the complainant regarding this Jewell & Yawman 1886 shelf is now in no way inconsistent with the position taken before the Patent Office. It was there contended that that shelf did not embody the combination of the issue, there being no *series* of rolls supporting the books, the structure itself not consisting of a shelf, but being a part of a case and built rigidly within the latter, and not separable therefrom, and the book *resting upon the edges of two parallel bars.*

It was further shown that this 1886 shelf afforded no evidence of the conception of the invention. There was nothing connected with it, or the testimony regarding it, which showed that at the time of its construction the parties had the idea of producing a shelf with a recess

into which the hand could be admitted; and it was pointed out that the rolls were so close to the edge of the shelf that the hand could not possibly get back of the said rolls, and that the hand was cut by the front sharp edge of the flat front bar.

It is not recognized that the new No. 4 shelf is the Jewell & Yawman 1886 shelf. The new No. 4 shelf has two series of rollers, one supporting the body of the book, and the other in divided sections in the front of the frame. The book is supported upon the rollers and not upon the edges of bars. The shelf is obviously constructed to afford a passage for the hand between the front rollers, and in these respects the shelves are subtantially different.

Complainants do not now and never did contend that a structure like that of the 1886 Jewell & Yawman shelf embodied the combination or the invention of the Hoffman claims.

Hoffman's Claims are not to Mere Aggregations.

The objection to claims as aggregations has only been applied to claims for machines or articles where the latter consist of separate old parts combined, each performing its known function. It has never been applied to defeat a valid combination of old elements, otherwise no combination claim would be valid.

In Loom Co. *v.* Higgins (105 U. S., 591), this court used the following language:

> "It may be laid down as a general rule, though perhaps not an invariable one, that if a new combination and arrangement of known elements produce a new and beneficial result, never attained before, it is evidence of invention."

This recognizes that such a combination is not a mere aggregation.

In Hailes *v.* Van Wormer (20 Wall., 353), the article, a stove, was old in its general features; and certain devices, each old in itself, were assembled in the stove without either in any way modifying the action or effect of the other. This the court held to be mere aggregation.

But in the case of a concrete article like a shelf, there are no separable devices. There are separate elements or parts, neither capable of any separate function, but both coacting, the rollers merely arranged to support the book, the frame specially constructed to support the rollers. So far as the general effect is concerned, neither part of itself performs any separate function; neither would act without the other.

So, in Reckenderfer *v.* Faber (92 U. S., 347), there were two articles, each having a separate function, united in one structure, *i. e.*, a pencil and a rubber; each was operative in and by itself, and neither modified the action of the other.

The question of aggregation was not involved in Phillips *v.* City (111 U. S., 604), it being held that the combination did not involve invention.

In Brinkerhoff *v.* Al e (146 U. S., 515), the article was held to be anticipated in the art. It was further held that "no new result or effect was produced by the united action of the old elements." This differs essentially from the case now at issue, where every element co-operates with all the others to secure the ultimate result; no single element is capable of acting alone to produce any result. The separate bearings of the frame are essential to support the separated rollers, the separated bearings and rollers are essential to the presence of a recess or hand hole, and the separated bearings of the frame, as well as the separated rollers, were each novel in shelves with or without the intermediate recess.

In Palmer *v.* Village of Corning (156 U. S., 342), the claim was for a sewer grating provided with pins for supporting it in an elevated position upon a ring. The grate performed the same function whether elevated or not, and the pins did not modify the action or coact to secure it. There was no such unity of action as in the Hoffman structure, where no one part has any function alone, as had the grating involved in Palmer *v.* Village.

In Richards *v.* Elevator Co. (158 U. S., 299), the alleged combination involved a railway track, building, hopper, scales, and spout, each performing its own function and no way modifying that of the other. Each element, unlike the elements of Hoffman's shelf, was capable of separate use. No one of the features had a novel construction; in this, also, differing from Hoffman's device, where the frame is new and peculiar, and the arrangement of rolls also novel.

The *facts* do not support defendant's position on the question of aggregation. Defendant assumes that Hoffman merely combined old elements, each having known functions. But the elements are not old. The *frame*, as a frame, is totally unlike any prior frame, in having two different arrangements of supports with a recess between the front supports. The series of *rolls*, as such, is divided into two sections, the forward section of two separated rolls, and this element is new. The argument based on assembling old devices to act in old ways does not apply..

The Jewell & Yawman Patent 557,392 and the File Wrapper and Contents of the Hoffman Application not properly before the Court.

The complainant in this case should not be called upon to make any reply to the matters raised by the defendant regarding the actions of the Patent Office in the prosecution of the Hoffman application.

It was competent for the defendant in its answer to the bill of complaint and evidence in pursuance thereof to set up any defense it could, based upon the Patent Office records, *but this it failed to do.* The answer of the defendant did not set up any patent under which defendant was operating nor raise any question as to any estoppel or limitations resulting from the acts of the patentee during the prosecution of his application; nor was any motion made to amend the answer nor any evidence offered on these points before submitting the case to the court.

It was not until the case had been submitted on its merits, argued and decided, and was before the Auditor in the accounting, that the defendant offered in evidence the file-wrapper and contents of the Hoffman patent in suit (p. 201, folio 351), and also (p. 200, folio 349), the letters patent to Jewell & Yawman, No. 557,392, *issued since the beginning of this suit*, and since the granting of the injunction therein. Objection was duly made to the introduction of this evidence as improper at that stage of the proceedings.

Where an issue was not made in the pleadings "it was too late to first raise the point before the master."

Rubber Co. *v.* Goodyear, 9 Wall, 801.

The defendants can not avail themselves of a defense not set up in the answer.

Herring *v.* Gage, 3 Banning & Arden, 402.

Dunlap *v.* Schofield, 152 U. S., 249, quotes 9 Wall., 801, as follows:

> "No such issue was made by the pleadings. It was too late for the defendants to raise the point before the master. They were concluded by their previous silence and must be held to have waived it. It can not be considered here."

On the merits of the evidence as to patent 557,392, if admitted, it is submitted that this patent was issued March 31, 1896, three years after the injunction order in this case and during the accounting, and with a claim (p. 158) limited to the detail of supporting the front rollers in brackets adapted to be secured to the front bars of

different shelves. This construction is not precisely that of the new No. 4 shelf (drawing opposite p. 233, Exhibit C).

The Grant of a Patent to Defendant not Evidence of Non-Infringement.

Defendant claims that the grant of this patent is evidence that the new No. 4 shelf is not an infringement of the claim of the Hoffman patent.

The fact that a patent issues on a particular detail of construction is not conclusive evidence that the structure does not infringe a prior patent. At the most, it has been held to create a *presumption*, which, like other presumptions, may be rebutted. If this was not the case any pirate might justify his piracy by modifying a patented device and securing a patent for his particular way of making it.

The defendant justifies his position by the decision of the Supreme Court in Boyd *v.* Janesville Co. (158 U. S., 260), but in that case both applications were pending in the Patent Office at the same time. There were no interfering claims and no interference, and therefore the court considered that the Patent Office recognized that the first patentee did not intend to make any claim covering the structure of the second patentee. The court held that the grant of the later patent raised a *presumption* only, but the experts testified that the two devices differed "in principle and operation," which confirmed the presumption. The experts have not so testified in this case.

In the present case, Hoffman's patent (Rec., p. 139) was dated April 7, 1891, and Jewell and Yawman's application, on which patent 557,392 issued (Rec., p. 157), was not filed until December 5, 1891, so that they were not pending concurrently.

Further, Jewell & Yawman had just been defeated in a contest with Hoffman, and no further interference could have been declared, and the record shows that while they made at first broad claims (Rec., p. 114) they were repeatedly rejected (pp. 114 to 123), until they had restricted their claims to the merest structural details. The attorneys for Jewell & Yawman (Messrs. Church & Church, p. 121), pointed out that the particular way of mounting the front rollers to secure the hand hole had certain alleged *structural* advantages, and the claim was granted on this feature of construction.

In Corning *v.* Burden (16 How., 265) the fact of a patent to defendant was allowed to be proved, because—

> "it shows at least the defendant has acted in good faith and is not a wanton infringer of the plaintiff's rights, and therefore ought not to be subject to the same stringent and harsh rule of damages which might justly be inflicted on a mere pirate."

But in that case, as in Boyd *v.* Janesville, the defendants were manufacturing under their patent when suit was brought, while in the present instance the defendant secured the patent after decision against it and while under injunction, the claim being on a mere detail of manufacture. The furthest limit to which any court has gone is in ruling that the fact that defendant's

device is patented is proof *prima facie* of non-infringement. (National Co. *v.* Hanby, 54 F. R., 493.) But even there the court accepted the ruling in Brown *v.* Selby, 2 Biss., 457, that—

> "If the plaintiff is a prior inventor and patentee their claims, as far as they trench on his, must yield."

Whatever the *prima-facie* position, it is always subject to rebuttal, and in the present case it has been most effectually rebutted.

The reports are full of cases where the defendants are restrained, although operating under letters patent later than those sued upon. See, for instance—

Holliday *v.* Pickhardt, 12 F. R., 147.

Standard *v.* Crane, 56 F. R., 718.

Concurring Decisions.

The Primary Examiner, the Examiner of Interferences, the three members of the Board of Examiners-in-Chief, and the Commissioner, all found that the constructions of the Hoffman drawing and the Jewell & Yawman drawing, although differing in detail, were *substantially* the same thing and included by the Hoffman claims, *and defendant* THEN *acquiesced in this.*

Since the grant of the Hoffman patent, Chief Justice Bingham, the Auditor, Justice Cox, and the three Justices of the Court of Appeals have found that the Hoffman, and the Jewell & Yawman shelf Fig. 17, and the shelf Hansmann Sketch, notwithstanding structural

differences, were substantially the same thing, and within the terms of the Hoffman claims. And the Auditor and the Justices of the Court of Appeals found that the construction of the New No. 4 was also substantially the same as the Hoffman structure, and within the terms of the Hoffman claims.

The No. 4 shelf was not before Justice Bingham nor considered on the question of infringement by Justice Cox, so that every one of the various tribunals before whom the question of identity has been considered during the past twelve years has decided that there is no substantial difference between the complainant's and defendant's structure, and that all are within the Hoffman claims.

Further, during all this time defendant has failed to even attempt to point out any change of function or effect resulting from the difference between Hoffman's shelf and defendant's shelves.

If any weight is to be given to concurring decisions, the question of infringement has thus been practically settled.

The Decision in the Second Circuit.

As against the concurrent finding, there is the decision of the court in the Second Circuit.

There is no evidence here of the infringing construction before that court, but the evidence which is now presented, it is submitted, is abundantly sufficient to show that the court erred in its opinion, founded, as it

appears, upon the assumption that all that Hoffman did was to assemble two old well-known features in a structure in which each produced its recognized known effect.

There was no such prior art as assumed. Shelves with iron frames (not rigid) were old, but no frame had been made that could be used in the Hoffman structure. Rollers had been arranged in frames, but never in a manner to effect the result secured by Hoffman.

Hoffman, therefore, reconstructed the old frames and rearranged the old rollers; facts which it appears the court failed to recognize, but which if recognized would inevitably have led to a different conclusion. It is believed that this court, by recognizing the extent to which Hoffman departed in every way from prior structures, will practically reverse the decision of the court in the Second Circuit.

Infringement.

The defendant has made shelves which have been called the "Jewell & Yawman Shelf;" the shelf of "Fig. 17, Office Specialty Manufacturing Co. Catalogue;" "Exhibit Hansmann Shelf" (which is like Exhibit M. R. J. No. 5, Rec., pp. 53, Q. 169), and the "New No. 4 Shelf." (See drawings opposite Rec., pp. 82, 135, 233, 282.)

The "Jewell & Yawman Shelf" (opposite p. 135), "Fig. 17, Office Specialty Manufacturing Co. Catalogue" (Ex. A, opposite p. 82), and "No. 4 Shelf" (same Ex. A, opposite p. 233) are different designations of the same form of shelf.

To avoid the consequence of infringement, defendant contends that Hoffman's claims, if valid, must be construed to include only the particular construction of Fig. 2 of the Hoffman patent, where the front bar is *bent* inward. Why Fig. 1 is ignored, where there is a square recess formed by the side bars and a different number of rolls, defendant does not inform us. (The reduction of this figure to accord with the size of the record somewhat obscures the same, and a full-sized lithographic duplicate of the Patent Office drawing is annexed hereto.) But defendant's contention ignores the terms of the claims.

The claims are not limited to a "bend," but contain the alternative term "OR recess." In claim 2, the term is broader, that claim requiring only that some part of the metallic frame structure shall be "carried back," this part being the part "intermediate" of the roller sections.

If there is any reason to ignore the meaning of these terms, defendant's experts have failed to set it forth; while complainant's experts have expressly stated that they include such structures as the defendant's. (Hine, Rec., pp. 34, 35; Freeman, pp. 13, 14.) And even defendant's expert admits the identity, Mr. Dodge (Rec., p. 77), on being asked, Q. 324, to compare the Hoffman and Jewell & Yawman shelves, "and state which, in your opinion as a mechanical expert, is the superior frame," saying:

> "Mechanically considered, I should say the shelf shown, marked "Ex. M. R. J. No. 5" (the Jewell &

> Yawman shelf), was the better frame of the two, because it is stronger and less liable to sag at the centre. It is braced by the angling position of the rear bar. *I would not, however, think that there was any very material difference between them* when firmly secured in place in the case, while I would give the preference to Ex. No. 5 if I was going to select."

Here the defendant had ample opportunity to put on record any *practical* result in the slight changes of construction made by it over the Hoffman shelf, and failed to do so.

The defendant's expert Steuart pointed out minutely every detail of difference in the structure; but *neither Steuart nor Dodge points out or alleges any difference in purpose, function, result or operation between defendant's frames or any of them and the frames like those shown and claimed in the Hoffman patent.*

A difference without change of purpose, effect, or operation is not a material difference.

In each shelf made by the defendant there is an open rigid frame of a peculiar character, in that it has bearings arranged to support a series of rollers on which a book may rest; the front bearings are separated from each other; the frame between the front bearings has a recess or is carried back. In the Fig. 17 shelf (p. 82) the part of the frame which forms the recess is one bar or strip bent back and secured to a bent cross-bar; in the Hansmann shelf (Ex. B., opposite p. 233, and opposite p. 159) the part of the frame that forms the recess consists of two parts connected to the straight cross-bar. In the "New No. 4" shelf (Ex. C, opposite p. 233, and opposite

p. 282) the part that forms the recess is in two parts, both secured to the straight front bar.

In the Hoffman frame the part that forms the recess is simply not so wide as that in the other frames, leaving two straight parts on opposite sides of the bent part, but the latter had the bearings for the separated front rolls, each pair of bearings in front of the front part of the frame.

Need we point out that these are the *same things?* Each frame is a rigid open frame; each has bearings for a series of rollers; each has separated front bearings; each has a recess between the front bearings. The differences are in mere trifling details of mechanical structure, but all secure the same result, *and the claims of the Hoffman patent can be, and by complainant's experts are, read on each shelf.*

Defendant nowhere points out any difference of purpose, function, or operation between these frames or between any one of them and the features specified in Hoffman's claims.

What is meant by the terms "retreating bar," "carried back," "re-entrant bend," "recess."

It will be noted that all these terms are applied, and were applied by both parties to the interference and by the Patent Office, to the Hoffman structure, Fig. 2 (Rec., p. 141), where the frame bar between the front rolls was *bent* back to the structure Fig. 1 of Hoffman patent, where there is a square recess, and to Fig. 3 of the Jewell & Yawman application (Rec., p. 135), where a bracket *e projects forward* of the front bar.

Defendant's experts testify that, in their opinion, the terms "carried back," "retreating bar," "re-entrant bend" all relate to a bar actually bent back, and that such a structure as the new No. 4 shelf (Rec., p. 282) does not come within the terms of the claims, because there is no bent bar.

Complainant's experts testify that if the frame has a recess formed in any way, it is the same thing, in operation and result, as a bar bent as shown in dotted lines in the New No. 4 shelf drawing (Rec., p. 282); Hine (bottom of Rec. p. 218 and top of Rec. p. 195).

It is to be noted that defendant's experts ignored the alternative term "*or recess*" used in the Hoffman claim, and which would include any recess formed by bending the bars or otherwise, and the patentee, having thus expressly broadened his terms, is entitled to the benefit of the broader language unless some reason is shown for limiting it.

Nothing has been produced showing that Hoffman was not entitled to a claim covering a frame with a recess made in any way, and all the evidence on both sides is to the effect that the details of construction do not result in any change of effect or operation.

It is submitted that it did not even require expert testimony to show that the terms "carried back" and "recess" are relative, to the two front rolls, and mean that the part of the frame between these rolls is in some way removed, leaving an "intermediate space" to permit the admission of the hand between the "roll sections," as stated in Hoffman's second claim. Claim 1 refers to the front

rollers, as on each side of a "re-entrant bend OR RECESS." It is evident, on the slightest inspection, that each of the defendant's structures (drawing, Rec., p. 233) has a frame which has "a recess," that the front rolls are "on each side of * * * a recess," that part of the frame is "carried back to permit the admission of the hand between the roll sections," and that to all intents and purposes the frame, as a frame, is bent back and has a re-entrant bend.

Even on the most limited construction of the claims, infringement can not justly be claimed to have been avoided by defendant.

The New No. 4 Shelf.

The Supreme Court of the District of Columbia, having decided that the shelf of Fig. 17 and that of Hansmann sketch are the same as the Hoffman shelf, defendant's made the "New No. 4 Shelf," contending that it was not the same as the other shelf and not an infringement of the claims of the Hoffman patent.

It has been shown that the new No. 4 shelf has all the features common to the shelves, Fig. 17, Hansmann sketch and Hoffman shelf. The exhibit drawing filed by defendant (opposite p. 233) shows that the new No. 4 (Exhibit C) as closely resembles the Hansmann shelf (Exhibit B) as the latter does the Fig. 17 shelf (Exhibit A). This is so evident as practically to need no other proof. Complainant's witness, comparing "Complainant's Exhibit Hine Drawing" (opposite p. 282), and showing the new No. 4 shelf with the Hoffman patent,

says (Hine, p. 187) that this exhibit contains the combination of elements of claim 2 of Hoffman's patent, and (p. 188) specifically points out the elements of the claim in the exhibit. Hine states (p. 188, fol. 329) that this shelf accomplishes the same purpose as the Hoffman shelf, made by the Fenton Company, and (p. 189, fol. 330), that, as one familiar with the manufacture and sale of such shelves, he recognizes no difference in practical operation between the Hoffman shelf and that of the Hine drawing.

It was competent for defendant to deny this, if it was erroneous; its failure to do so supports the assertion.

Hine (top of p. 195), referring to the new No. 4 shelf as shown in "Exhibit Hine Drawing," says, that if the two brackets *c c* were continued and bent around to follow the dotted line shown in the drawing, it would not in any way alter the operation of the shelf. This is evident on inspection, and it will be noted that this change merely of the defendant's shelf would make the form precisely that of Fig. 2, of the drawing of the Hoffman patent. Hine says, further (p. 195), that this change would be "simply a difference in detail of construction; that is all. * * * It would change the construction of this just as much, or, perhaps, a little more, than if you take out one of those rivets and put in two."

Defendant's expert, in great detail, points out what he considers to be differences between the Hoffman shelf and the New No. 4 shelf (shown in "Exhibit Hine's Drawing"), and the differences from that claimed in the

Hoffman patent (pp. 202–207), going into minute and unimportant features of construction, but he *nowhere attempts to deny the statements of plaintiff's witnesses that these details are not material, or that they do not change the function or effect.* The plaintiff's testimony on this important point is, therefore, *uncontradicted.*

Defendant's expert attempts to draw a fine distinction based on the fact that in different shelves the parts of the frame around the hand hole are sometimes part of a long bar, sometimes one, and sometimes two separate parts riveted to other parts, but after extended cross-examination he is obliged finally to admit that if the rollers are removed, all that which remains is *the frame.* (Steuart, top of p. 212.) If, therefore, this *frame* has a recess in front carried back of the front roller supports it complies with the terms of the Hoffman claims.

Defendant's expert testified as follows (Rec., p. 218):

> "Q. State whether or not the roller-supporting structure in the 'Exhibit Hine Drawing' is of such a character that there is a recess intermediate the front rollers for the passage of the hand back of the rollers?
>
> "A. There is a space between the brackets in which the front rollers are mounted, if this is what you mean.
>
> "Q. And that space permits the passage of the hand back of the front rollers; does it not?
>
> "A. *It does.*"

(Rec., p. 215):

> "Q. So you admit that it is not necessary to have a bar with a re-entrant bend in order to secure the advantages of the structure described in claim 2; is that so?

"A. In so far as those advantages are described with relation to the handling of the books, *I should say so.*

"Q. If I have understood your direct testimony, it is to the effect that the construction described in Hoffman's patent and claims 1 and 2 thereof is one in which the frame of necessity must have a front bar, one portion of which is bent back of the remaining portion so as to form a re-entrant bend, and that unless a frame has a front bar so bent back it is not the construction set forth in claim 2. Am I right?

"A. This is the specific structure called for apparently in claim 1, but claim 2 does not specify a front bar, but simply that the intermediate portion of the frame shall be carried back. *It is entirely possible that a structure might answer the terms of the second claim that did not have the specific element that you have asked in your question, to wit, a front bar having a re-entrant bend.*"

It is contended that defendant has simply changed this 1886 exhibit in making the structure of the new No. 4. shelf.

But changes which convert an impractical into an effective article are vital, and embody a new structure.

> "It is not sufficient to constitute anticipation that the device relied upon might, by modification, be made to accomplish the function performed by the patent in question if it were not designed by its maker, nor adapted, nor actually used, for the performance of such functions."
>
> Sup. Ct. U. S., Topliff *v.* Topliff, 145 U. S., 161.

By parity of reasoning, infringement can not be justified by changing an old abandoned device so as to secure the effects of a patented structure, and thus connect the two to secure the date of the first.

The Doctrine of Equivalents.

It has been contended by defendants that Hoffman's claims are to specific forms, and that he can not invoke the doctrine of equivalents to cover other forms or a changed structure. This is not the law.

Undoubtedly, where the claim is restricted to particular mechanical *details* of construction (which Hoffman's is not), and another party improves and broadens the purposes of the structure by taking out or putting in something not contemplated by the patentee, the claim may not be construed to cover the improvement. This was all that was decided in Dedrich *v.* Gardner (50 F. R).

But in that case the case the court said :

> " The doctrine of equivalents can not be invoked to *suppress improvements.*"

But what "*improvements*" have defendants made? There is not a word of testimony in behalf of defendant's that the slight details of changes made by them have improved or changed the shelf in any way. These changes are colorable, merely for evasion.

So even in P. H. Murphy & Co. *v.* Excelsior Co. (76 F. R., 965), the court held that in cases in which the claims of the latter patent were based on a slight improvement in existing machines the patentee is protected against " mere colorable evasions."

If defendant's structures are anything more than mere colorable evasions of Hoffman's claims, it has failed to show it.

This is the substance of all the decisions which defend-

ants have, at different times, referred to, assuming that the claims are specifically limited.

But Hoffman's claims, while not broadly to *any* kind of frame and arrangement of rollers, are not limited to specific details, as has been pointed out.

Further, the courts have held that when the utility of a structure has been demonstrated by extensive use, the claims of complainant's patent should be liberally construed.

Sessions *v.* Romadka, 145 U. S., 29.

In Cantell *v.* Wallick (117 U. S., p. 695), the Supreme Court, quoting from Machine Co. *v.* Murphy, said:

> "In determining the question of infringement, the court or jury, as the case may be, are not to judge about similarities or differences by the names of things, but are to look at the machines or their several devices or elements in the light of what they do, or what office or function they perform, and to find that *one thing is substantially the same as another, if it performs substantially the same function, in substantially the same way to obtain the same result*, always bearing in mind that devices in a patented machine are different in the sense of the patent law when they perform different functions or in a different way, or produce a substantially different result."

See, also, Winans *v.* Denmead, 15 How., 330.

In another leading case, Seymour *v.* Osborne (11 Wall., 566; Curtis on Patents, 309), the Supreme Court of the United States has said:

> "Mere formal alterations in a combination of letters patent, however, are no defense to the charge of infringement. * * *
>
> "*Bona fide* inventors *of a combination* are as much

> entitled to suppress every other combination of the same ingredients, to procure the same result, not substantially different from what they have invented and caused to be patented, as any other class of inventors."

There is not to be found anywhere in the record or in the arguments even an effort on the part of the defendant to point out any difference in effect resulting from the changes in structure made by the defendant.

The Accounting.

On demand of the complainant, the defendant (Rec., pp. 234–6) furnished a statement showing the number of infringing shelves of different styles made and sold to that date, the cost of production, average cost, the average selling price, the proportion of expenditures to receipts in the general business, and the proportion of the business chargeable to shelves and cases.

Upon this statement there was an admitted total profit of $3,040.30 in the sale of 24,498 shelves, or 12½ cents per shelf.

The witness Lomb stated that he had prepared said statement, that he was the party best qualified to do so, and that it was correct.

It therefore can not be contended that there is no evidence of any profit in the manufacture of the infringing structure.

The aforesaid statement, together with the bills and books produced by Lomb, were the basis of the cross-examination, which showed, as the Auditor found—

1. The total number of shelves sold to September 1, 1896. (Rec., p. 284.)

2. The "entire * * * cost of manufacture." (Rec., p. 284.)

3. The sizes of the different shelves sold. (Rec., p. 284.)

4. The prices at which shelves of different sizes were sold with cases, as shown by defendant's list of prices. (Rec., pp. 287 and 294.)

5. That of the total cost and total selling price one-half is allowable to the case and must be deducted, thus giving the cost and amount received from the sale of shelves. (Rec., p. 288.)

6. The proportion of general expenses of the defendant's business to be borne by the shelves. (Rec., p. 288.)

7. The total profits realized from the sales of the total number of shelves.

Of the above findings, the first, second, third, fourth, and sixth are based, not upon the estimates or averages, but on the actual numbers or amounts disclosed by the testimony.

The Auditor could not ascertain specifically the precise amount received from the sales of shelves and cases, but we submit that with proof as to the actual normal selling prices he was justified in assuming sales at such prices, where the defendant would not or could not produce evidence to the contrary.

First Exception.

The master found the *average selling price per shelf* (in cases), by dividing the total amount received, $105,736.75, by the total number of shelves, 46,623, giving $2.27, a sum exceeding by two cents the schedule price of the standard size of shelf.

Defendant contends that the testimony shows that it did not always sell at schedule rates. If such was the fact, it was its duty to show specifically where there was a departure. If, as asserted, its books were so kept that it could not do so, that the cost of the shelves and selling price was mingled with other articles, this failure can not count to defendant's advantage. The principle stated in Walker on Patents, section 717, is that the defendant can not plead his imperfect book-keeping as an excuse in such cases. If he mingled the products of different articles he can not plead this as an excuse.

> "Where a defendant mingled profits which he made as an infringer with those he made otherwise, and there was no criterion by means of which they could be separated, he must submit to the recovery of the whole."
>
> Walker on Patents, 3d ed., p. 548, sec. 717.

Further, on this, as well as in proving the cost of manufacture, and on other points, the complainant has, beyond question, furnished the best evidence he could obtain. This the court will accept.

In Manufacturing Co. *v.* Cowing, (105 U. S., 257), the court found for plaintiffs upon an *estimate* of cost, the proof being defective.

See, also—

Emigh *v.* B. & O. Co., 6 F. R, 283, where, in view of conflicting testimony, the court itself fixed the profits.

In Herring *v.* Gage (3 Banning & Arden, 399), the court found that when there could be no direct evidence, from failure of defendants to keep account, the best evidence was admissible.

This evidence need not be absolutely exact, but only "reasonably definite and convincing." (Walker, sec. 715.)

The proof in accounting "needs not to be severely accurate, but may be sufficient where it furnishes foundation for just inferences rather than certain knowledge." (Walker, sec. 719.)

See, also, Adams *v.* Keystone (41 F. R., 597.) This case was reversed by the Supreme Court (151 U. S., 139), but the Supreme Court did not reverse the ruling that the parties were not required to prove the accounts with absolute precision; but the court below was reversed because the expenses of defendants were *assumed* from those of a third party.

Absolute proof of the precise items of profit is not required either in showing profits or damages.

In Creamer *v.* Bowers (35 F. R., 208) it was held that when complainant made out his case as best he might when defendants could have given exact information, the master's performance of his task with as near an

approach to accuracy as could be looked for under the circumstances was sufficient.

In Tuttle *v.* Claflin (76 F. R., 227), the court, from the record, made an approximate estimate.

It is therefore submitted that the master was justified in his finding as to the selling prices of shelves in cases, and that the first exception should be overruled.

Further, in asking the court to throw out the Auditor's findings because the sales were in competition with the complainants at reduced prices and are not shown, the defendant is pleading its own wrongdoing as a defense.

The accounting is to ascertain the profits derived by defendant from an illegal making, selling, and using of articles belonging to plaintiff. Defendant says that its prices were reduced by competition. Plaintiff admits competition, and shows that the Office Specialty Company were its competitors, reducing its sales and profits.

If the defendant had shown the precise amount received from sales, in competition or otherwise, its figures could not have been ignored, but as all of these sales were illegal, and as, in consequence of the illegal competition of defendant with plaintiff, this suit became necessary, and as defendant, when it reduced prices to defeat plaintiff's sales, kept no exact account, it is not competent for the defendant to plead its failure to keep exact accounts as a reason for throwing out the estimates based upon schedule rates.

The Auditor had sufficient evidence of selling prices in the defendant's schedules, but his estimate was not based on these alone, as stated (Rec., p. 287)—

"This average is further corroborated by the

average prices of the New York sales and San Francisco sales reported in Exhibit Memoranda No. 1."

The report of the Auditor and his careful schedules show that every effort was made to secure exact figures. Schedule A gives the various sizes of shelves from 11 to 24 inches; it gives the exact number of each size sold, and the cost of different sizes as shown by the bills of the makers, and it gives the selling prices of different sizes as shown by the defendants' schedules of selling prices. We submit that a skilled accountant, taking account of the running expenses of a business, could not have gone into a more careful detail or arrived at more correct results.

The cases relied upon by defendant in the court below, to support its contention that the exact amount received from sales must be proved, are not to that effect.

In Keystone *v.* Adams (151 U. S., 139) it was decided that complainant might offer proof of defendants' profits. In that case the infringing structure was a complex machine, only one feature of which embodied the patented improvement; and in the absence of proof showing the profit from the use of other parts, it was held that only nominal damages could be obtained. The master's report was set aside because he estimated the defendants' profits from what "certain third companies were alleged to have made from the sale of similar devices." In other words, he did not, as the order of the court required, ascertain defendants' profits from the best means obtain-

able, but ascertained those of a third party and applied the estimate to the defendants'.

In Tilghman *v.* Proctor (125 U. S., 136) the court sustained certain estimates of the Auditor as to profits based on a careful weighing of conflicting testimony. There is nothing in the decision (which relates to a process, and not to an article, so that a different rule of accounting is involved) going to sustain the contention of defendants that the master can not, by examining defendants' books and records, determine, as near as possible, the amount of profits resulting from the sale of infringing articles.

In Garretson *v.* Clark (111 U. S., 120) the master reported that no proof was presented that any profit had been made. The invention was embodied in only a distinct part (a clamp) of an entire article (a mop), and plaintiffs had failed to show the value of this new part.

Where the invention embodied the whole article, the rulings of the court have always been to the effect that the entire cost of the article should be considered.

Warren *v.* Keep (155 U. S., 268):

> "It is, no doubt, well settled that where a patent is for a particular part of an existing machine it is not sufficient to ascertain the profits on the whole machine, but it must be shown what portion of the profits is due to the particular invention secured by the patent in suit. (Blake *v.* Robertson, 94 U. S., 728; Dobson *v.* Hartford Carpet Co., 114 U. S., 439.) But it is equally true that where the patented invention is for a new article of manufacture, which is sold separately, the patentee is entitled to damages arising from the manufacture and sale of the entire article. (Manufacturing Co. *v.* Cowing, 105 U. S., 353; Hurlbut *v.* Schillinger, 130 U. S., 456; Crosby Valve Co. *v.* Safety Valve Co., 141 U. S., 441.)"

There is a radical difference in the proof required in the case of the profits derived from the *use* of a machine or process (as in Tilghman *v.* Proctor, and Loom Co. *v.* Higgins, 43 Fed. Rep., 673) where complainant must show the profits derived from using a new process or machine instead of an old one—and the proof required where the profits result wholly from the sale of an article (as in Warren *v.* Keep). It is obvious that in the latter case the advantage results in the sale, and not in the use—and that where the invention involves the article as a whole it is not necessary to prove the profit derived from any specific part, as in Garretson *v.* Clark, 111 U. S., 120, cited by the defendant; or Seymour *v.* McCormick, 16 How., 480, where only part of a patented machine was infringed.

Second Exception.

The Auditor ascertained the total number and cost of shelves, in cases and separate (Schedule A, p. 294) from the bills of the makers, Yawman & Erbe (Auditor's Report, p. 287). Certainly no better evidence could be adduced. The Auditor, in abundant caution (although there were some shelves not in cases), gave the defendants the benefit of assuming that all were in cases, and after finding the total cost deducted the cost of the cases from the whole amount, leaving a remainder which, divided by the number of shelves, gave 99 cents as the cost per shelf.

Defendant, in its brief, contends that the Auditor should not have given it the benefit of this assumption,

although the difference in result is insignificant. It would be competent for this court to increase the award found by the Auditor by reducing the cost of manufacture to, say, 95 cents per shelf, as the court did in Manufacturing Co. *v.* Cowing (105 U. S., 257), where the court said "the cost of production has been much underestimated by the master * * * we have made the best estimate we can from the material furnished by the record," and thus correcting the error, awarded the plaintiff an estimated amount as profit.

Third Exception.

This excepts to the finding of an average cost of construction of 49½ cents per shelf, asserts the actual cost to be 70 cents per shelf, and alleges the average cost price of 2,206 shelves without cases as 87 cents per shelf, basing this on the showing in "Exhibit Shelves Without Cases."

We submit that there is no sufficient evidence whatever as to the figures indicating cost found in "Exhibit Shelves Without Cases."

"Exhibit Shelves Without Cases" was filed pursuant to plaintiff's request of October 13, 1896 (p. 231), asking that defendants be required to produce evidence "showing *the number* of such roller shelves made for and furnished to the said company from April 7, 1891, to this date." That was all that was asked for by plaintiff. The memoranda was furnished in the form of an affidavit, upon order of the Auditor, volunteering also the cost, *but no witness was produced and there was no opportunity to cross-examine*, and the statement was taken

only for what was asked for, *i. e.*, *the number* of shelves made.

Plaintiff, time and again, during the taking of testimony, made every possible effort to have the defendants give some fair estimate of cost and selling prices of shelves alone, but on every occasion was told it was impossible. (See fol. 414, Rec., p. 234; and p. 237, first clause.)

As to the total cost of shelves and cases, this is shown to a cent by the Yawman & Erbe bills, but defendants' third exception is practically to the action of the Auditor in dividing the cost equally between the cases and shelves. But he had evidence to support his finding. The Auditor acted on the best evidence obtainable.

As regards the selling price, defendants' witness Lomb would not make any estimate as to the proportionate cost of shelves and cases. He said (p. 168) "*I can not tell* what the proportionate cost would be."

Under these circumstances, where defendants' witnesses state they can not supply proper information on which to base an estimate either of the actual cost of the shelves alone or of the selling prices of the shelves alone, the plaintiff is at liberty to get the next best evidence.

Herring *v.* Gage, 3 Banning & Arden, 399.

This evidence was defendants' books and schedules, and, in addition, plaintiff produced Hine, a practical manufacturer, who gave specific figures and showed that the actual cost of a 20-inch shelf to the Fenton Company was 45 cents per shelf. (Hine, p. 219, folio 384;

p. 221, and Exhibit "Hine's Statement," pp. 227 and 223.)

> NOTE.—The addition of 25 per cent., or 11 cents, in this statement was error. (Hine, bottom of Rec. p. 229.)

This evidence of Hine was taken merely to confirm the estimate made from defendants' books and schedules showing that it agreed with the actual cost to other parties.

Further, Hine states (bottom of p. 221) that in the manufacture by the Fenton Company the cost of shelves and cases is about equal. This gave the Auditor proper grounds for his estimate.

Further, Lomb produced "Schedule No. 2" (bottom of Rec. p. 228), which, after giving schedule prices for fourteen different sizes of shelves "with cases," says, "roller-book shelves, *without cases, deduct 40 per cent.*"

It therefore appears that the Auditor did not fix the cost "by pure speculation and guesswork," as alleged.

The total cost of cases and shelves having been had from the bills, the Auditor, giving the defendant the benefit of every doubt, deducted 50 per cent. (Rec., p. 288) for the cases, thus obtaining the cost of the shelves.

What constitutes the cases as meant in his testimony is stated by Lomb in folio 345, p. 197. He states (top of Rec. p. 200) that *he does not think* that the case would cost more than the shelves.

It is, therefore, submitted that the Auditor had ample ground, from the testimony and from the definite state-

ment of Schedule No. 2, to find that the cost and the profit should, on the average, be equally divided between the shelves and the cases. But even if, as contended by defendant, the plaintiff has not proved exactly either the cost price of the shelves alone or the selling price of the shelves alone, it is shown that—

1st. They have so closely approximated it that any disinterested person would be convinced of its substantial accuracy.

2d. In so far as they have not been exact, it is the fault of either the defective accounts of the defendant or of its unwillingness to furnish better information.

Under these circumstances the court will accept the evidence as sufficient.

See, also, the other authorities cited in the consideration of the first exception.

Herring *v.* Gage, 3 Banning & Arden, 369.

It is further submitted, that in view of the above quoted testimony of defendants (that it was impossible to fix the relative cost of shelves and cases), they can not properly now ask that any weight be given to the figures in "Exhibit Shelves Without Cases," volunteered in an affidavit without request of plaintiff, without cross-examination, and based only on a very limited number of shelves. The average of 50,000 shelves, considered by the Auditor, is more nearly correct than that of 2,000, referred to in the exhibit.

Further, the third exception is not one which was taken

to the draft report, there being no exception to the draft report asking any finding fixing the cost of the shelves without cases.

The third exception differs from that to the Auditor's draft report, which did not ask the Auditor to find any cost price, but asked him to report "that he was unable to find from the evidence what such cost of manufacture was."

The exception, for this reason, is inadmissible.

> "According to the correct practice, no exceptions to a report can be considered which were not taken before the master in the form of objections to his draft of the report. The reason for this rule of practice is that the master might have allowed the objections and corrected his report, if errors had been pointed out to him, thus saving the parties unnecessary expense and the court unnecessary trouble."
>
> Celluloid Co. *v.* Cellonite Co., 40 Fed. Rep., 477.

If the defendant had evidence to show that the average cost of the shelves without cases was 87 cents, as contended for the first time after the Auditor's report, why did it not present it in form for cross-examination when called upon to do so?

The Fourth and Ninth Exceptions.

This raises the question of the identity of the New No. 4 Roller Shelf and those that are shown in defendant's catalogue, Fig. 17, and Hansmann sketch.

These exceptions were sustained by the court (Cox, J.) on the ground of want of jurisdiction of the Auditor. The court did not consider the identity of the shelves.

The Fifth Exception.

The defendants contend that the Auditor erred in determining the selling price of the shelves from the schedules, and contend that inasmuch as the names of some of the purchasers were given, the plaintiff could have followed these purchasers up and ascertained what each purchaser actually paid.

This question was fully inquired into. Lomb stated that the first accounts and memoranda which he produced were produced by the aid of "our help at the office at Rochester; also the different managers at our different branch offices" (Rec., p. 163); and that these memoranda related to the sales. He says that he had these parties "look up the sales of the shelves, note them down, and compare part of them with the books (p. 163); that these agents (p. 171, folio 298) reported monthly the total sales, expenses, etc.; that (p. 173) "we have no memoranda or records except as might appear on the order given by Richter," as to the parties for whom the shelves were to be erected or put into use that were sold by Richter & Co.; and that (p. 173)—

> "the agents, such as Richter & Co. of Pittsburg, in many instances, do not give the names nor the amounts at which the goods are sold."

Lomb states (p. 174, fol. 302):

> "*It is impossible for me to get at the selling price of those shelves* for the reason that most of them have been sold in combination with other goods which we manufactured, and in some instances the shelves are one-half and in some one-hundredth part of such cases—that is, of the entire job."

It, therefore, appearing from Lomb's own statements and admissions, and examination of the memoranda furnished, that all but an insignificant portion of the shelves were sold in combination with other materials, and that Lomb himself nor the agents of the company were not able in any way to ascertain with precision the relative amounts received from shelves and other parts in the jobs which they put up, it was, therefore, obviously impossible for the plaintiffs, by inquiry of purchasers, to find out what proportion of what they paid was paid for shelves and what for cases or other features connected with the cases. Defendants, therefore, are in error in the assertion that there was any means whatever by which the plaintiffs could follow up the purchasers and ascertain from them any more than has been ascertained from Lomb himself.

It must be borne in mind that the agents were practically the servants or employés of the company ; that they were charged in various ways with the prices of the goods, and sometimes sold on commission (p. 171, fol. 298), but (p. 172) these agents or managers at the different branch offices were salaried agents of the company. It would, therefore, appear that anything paid to these agents in the way of commission would be deducted from the general expenses constituting a part of the gross expenses of the company, and, therefore, a part of the .3837 per cent. deducted by Lomb in his statement (p. 235 *et seq.*) and allowed by the Auditor.

The Sixth, Seventh, and Eighth Exceptions.

These are fully replied to in considering the other exceptions.

Ninth Exception.

This has been considered in connection with the fourth exception.

Tenth and Eleventh Exceptions.

Steuart was produced as an expert to testify upon the question of invention in view of the state of the art, as to letters patent No. 557,392, introduced in evidence improperly on the accounting, and generally on the question of invention, to induce the Auditor to set aside the decision of the court on this point. As stated by Steuart regarding the infringement of Hoffman's patent by the shelves like " Exhibit Hansmann Sketch " (Rec., p. 216):

> "Q. And you intend to state that you do not agree with the court, as I understand?
> "A. So far as that part of the opinion I have expressed is concerned; yes."

Obviously, such evidence is inadmissible.

But the best answer to this exception is the fact that Steuart's testimony was practically admitted, considered, and overruled, the Auditor deciding, notwithstanding this evidence, that the new No. 4 shelf was within the scope of the order of the court and an infringement of the Hoffman claims. (Rec., pp. 291–293.)

The Twelfth Exception.

This exception should be overruled because:—

1st. The statute (R. S., 4900) requires only proof " that the defendant was duly notified of the infringement."

As the defendant here was admittedly privy to the interference proceedings, ending in the grant of the

patent to Hoffman, further proof of notice was not required.

2d. Because the exception was for the first time presented in the exceptions to the final report, and the court must disregard every exception which was not taken to the draft report.

Celluloid Mfg. Co. *v.* Cellonite Co., 40 F. R., 477, and authorities cited.

Troy Co. *v.* Corning, 3 Fish, 497.

3d. Because the objection comes too late, not being raised by the pleadings, nor at the trial, nor before the master. "It is too late for defendants to raise the point before the master."

Rubber Co. *v.* Goodyear, 9 Wall., 801.

The Supreme Court, in Dunlap *v.* Schofield (152 U. S., 249), refers to Rubber Co. *v.* Goodyear as the leading case on this point.

> "The defendants can not avail themselves of the defense, because they have not set it up in the answer. (Rubber Co. *v.* Goodyear, 9 Wall., 788.)"

Herring *v.* Gage, 3 Banning and Arden, 402.

Further, defendant continued to manufacture after the filing of the bill.

4th. The failure to affirm defendants' twelfth exception was not assigned as an error (Rec., pp. 301–303) on appealing from the decree of the court (Rec., p. 300) affirming the Auditor's report on all points "excepting as to the matters set forth in the exceptions 4 and 9," which related to the new No. 4 shelf. The defendants thus

But Jewell admits defendant's knowledge of the patent immediately after its issue. (Jewell, Rec., p. 67, X-Qs. 264, 265.

acquiesced in the decision (Rec., p. 299) that "the twelfth exception is overruled as setting up a defense to the bill which was not made in pleadings."

The Exceptions Generally.

The exceptions generally ask the court to find that the defendants had realized no profit from the shelves, and submit that the Auditor should have found that he was unable to find from the evidence what was the cost of manufacture or selling price.

This position is untenable, from the fact that Lomb's original statement (pp. 234, 235) admits a profit of $3,040.30, or over 12½ cents per shelf in the sale of 24,498 shelves, although this is found by adding together on the expense side the cost of manufacture (by other parties) and the gross expense of the defendant company. Having thus, under oath, admitted a considerable profit, defendants are not in position to pray that the court find that the Auditor should have found no profit, or reported himself unable to determine *any* profit.

This is a case where the defendants were parties to a contest in the Patent Office, claiming the invention of the (now) Hoffman patent. They appealed from two decisions against them, and after the third decision by the Commissioner in favor of Hoffman they deliberately continued their manufacture and resisted the demand for an injunction on the ground that there was neither novelty nor patentability in the invention for which they had so long contended. As the evidence shows, defendants went into the market, competing with the

plaintiff, about 95 per cent. of the sales being in competition.

It is submitted that the circumstances here justify the application of the rule laid down in Creamer *v.* Bowers (35 F. R., 208), that every doubt and difficulty should be resolved against a wanton infringer.

Unless the Auditor has undoubtedly erred, his report should be approved.

The conclusions of the master, depending upon the weight of conflicting testimony, have every reasonable presumption in their favor, and are not to be set aside or modified unless there clearly appears to have been an error or mistake on his part.

Tilghman *v.* Proctor, 125 U. S., 149, 150.

In considering the Auditor's report, it must be borne in mind that claim 1 of the patent sued upon includes the cases, as well as the shelves, it being proved that 95 per cent. of the shelves are sold in cases. It was not absolutely necessary, in the accounting, to separate the two, if owing to the defendant's bookkeeping the profits could not be divided.

Walker on Patents, 3d ed., sec., 717, p. 548;
Hurlburt *v.* Schillinger, 130 U. S., 456;
Heaton *v.* MacDonald, 57 F. R., 648;
Warren *v.* Keep, 155 U. S., 268.

The Auditor's conclusions will stand unless clearly erroneous.

Tilghman *v.* Proctor, 125 U. S., 149;
Celluloid *v.* Cellonite, 40 F. R., 477.

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